

HOUSE BILL 776

By Clem

AN ACT to amend Tennessee Code Annotated, Section 67-2-110, relative to the residence of trusts.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-2-110, is amended by adding the following language as a new, appropriately designated subsection:

() For purposes of disposition of revenue to municipalities and counties under § 67-2-119, the residence of a trust with a single Tennessee beneficiary shall be the residence of the beneficiary. If a trust has more than one (1) Tennessee beneficiary, then, for purposes of disposition of revenue to municipalities and counties under § 67-2-119, the trust shall be considered to reside in each municipality or county in which a Tennessee beneficiary resides. Revenue shall be distributed under § 67-2-119 to each county or municipality in which a trust resides according to the pro rata share of taxable income attributable to all Tennessee beneficiaries residing in such county or municipality. The fiduciary filing the return for a trust with more than one (1) Tennessee beneficiary shall specify the residence of each Tennessee beneficiary, the total amount of taxable income of the trust and the portion of the total taxable income of the trust that is attributable to each Tennessee beneficiary.

SECTION 2. This act shall take effect July 1, 2005, the public welfare requiring it.